**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 5 TO CHAPTER 28, TITLE 44 SO AS TO PROVIDE FOR THE ESTABLISHMENT OF THE “DISABLED SELF‑EMPLOYMENT DEVELOPMENT TRUST FUND”, TO PROVIDE ASSISTANCE TO INDIVIDUALS WITH DISABILITIES TO PURSUE ENTREPRENEURSHIP AND SELF‑EMPLOYMENT OPPORTUNITIES, AND TO PROVIDE BUSINESS DEVELOPMENT GRANTS FOR THE STARTUP, EXPANSION, OR ACQUISITION OF A BUSINESS OPERATED WITHIN THE STATE; BY ADDING SECTION 12‑6‑3760 SO AS TO PROVIDE FOR A TAX CREDIT FOR TAXPAYER CONTRIBUTIONS TO THE FUND; AND TO AMEND SECTION 12‑6‑5060, AS AMENDED, RELATING TO TAX RETURNS, SO AS TO ADD THE FUND TO THE LIST OF FUNDS TO WHICH A TAXPAYER MAY CONTRIBUTE ON A STATE INDIVIDUAL TAX RETURN.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 28, Title 44 is amended by adding:

“Article 5

Disabled Self‑Employment Development Trust Fund

Section 44‑28‑510. There is established in the State Treasury the Disabled Self‑Employment Development Trust Fund, separate and distinct from the general fund. The fund shall consist of appropriations and donations, contributions, bequests, or other gifts. Earnings and interest on this fund must be credited to it and any balance at the end of the fiscal year carries forward to the fund in the succeeding fiscal year.

Section 44‑28‑520. The South Carolina Department of Disabilities and Special Needs shall establish and administer the program that awards grants to qualifying residents of this State with physical or mental impairments who start, expand, or acquire a business within this State.

Section 44‑28‑530. To receive a grant pursuant to this program, an applicant must:

(1) be eligible for vocational rehabilitation services as defined in Section 43‑31‑30(3) and (12);

(2) not have previously received educational or training equipment through another rehabilitation program when that equipment could be used in the applicant’s proposed business;

(3) have at least fifty‑one percent ownership in a for‑profit business that is actively owned, operated, and managed in this State;

(4) agree to an approved business plan that will result in self‑sufficiency as measured by earnings that equal or exceed eighty percent of substantial gainful activity; and

(5) provide documentation to the satisfaction of the department of the applicant’s ability to match dollar‑for‑dollar the amount of funds requested.

Section 44‑28‑540. Monies in the Disabled Self‑Employment Development Trust Fund must be expended solely to provide business development grants pursuant to this article.

Section 44‑28‑550. Grants awarded pursuant to the program may in no way reduce, impair, or diminish the benefits to which the beneficiary is otherwise entitled by law.

Section 44‑28‑560. Grants may not be awarded:

(1) to support the purchase of real estate or improvements to real estate;

(2) to be used as a cash infusion, for personal or business loan repayments, or for personal or business credit card debt; and

(3) to start, expand, or acquire any of the following types of businesses:

(a) a hobby or similar activity that does not produce income at the level required for self‑sufficiency;

(b) a business venture that is speculative in nature or considered high risk;

(c) a business registered with the federal Internal Revenue Service as a Section 501(c)(3) entity or other entity set up deliberately to be not‑for‑profit;

(d) a business that is not fully compliant with all local, state, and federal zoning requirements and all other applicable local, state, and federal requirements; and

(e) any illegal business venture.

Section 44‑28‑570. The South Carolina Department of Disabilities and Special Needs shall promulgate regulations necessary for the implementation and administration of this article.”

SECTION 2. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3760. There is allowed as a tax credit against income tax liability of a taxpayer imposed by this chapter for contribution to the Disabled Self‑Employment Development Trust Fund. The total amount of credits allowed pursuant to this section may not exceed an aggregate credit of five million dollars for all taxpayers in one calendar year. If the total amount of tax credits which may be claimed by all tax payers exceeds the total amount authorized by this section, the credits must be determined on a pro rata basis. The tax credit allowed by this section is nonrefundable and if the amount of the credit exceeds the taxpayer’s liability for the applicable taxable year any unused credit may be carried forward and claimed in the five succeeding taxable years.”

SECTION 3. Section 12‑6‑5060(A) of the 1976 Code, as last amended by Act 280 of 2016, is further amended to read:

“(A) Each taxpayer required to file a state individual income tax return may contribute to the War Between the States Heritage Trust Fund established pursuant to Section 51‑18‑115, the Nongame Wildlife and Natural Areas Program Fund established pursuant to Section 50‑1‑280, the Children’s Trust Fund of South Carolina established pursuant to Section 63‑11‑910, the Eldercare Trust Fund of South Carolina established pursuant to Section 43‑21‑160, the First Steps to School Readiness Fund established pursuant to Section 63‑11‑1750, the South Carolina Military Family Relief Fund established pursuant to Article 3, Chapter 11, Title 25, the Donate Life South Carolina established pursuant to Section 44‑43‑1310, the Veterans’ Trust Fund of South Carolina established pursuant to Chapter 21, Title 25, the South Carolina Litter Control Enforcement Program (SCLCEP) and used by the Governor’s Task Force on Litter only for the SCLCEP Program, the South Carolina Law Enforcement Assistance Program (SCLEAP) and used as provided in Section 23‑3‑65, the South Carolina Department of Parks, Recreation and Tourism for use in the South Carolina State Park Service in the manner the General Assembly provides, the South Carolina Forestry Commission for use in the state forest system, the South Carolina Department of Natural Resources for use in its programs and operations, K‑12 public education for use in the manner the General Assembly provides by law, South Carolina Conservation Bank Trust Fund established pursuant to Section 48‑59‑60, the Financial Literacy Trust Fund established pursuant to Section 59‑29‑510, ~~or~~ the South Carolina Association of Habitat for Humanity Affiliates, or the Disabled Self‑Employment Development Trust Fund established pursuant to Section 44‑28‑510, by designating the contribution on the return. The contribution may be made by reducing the income tax refund or by remitting additional payment by the amount designated.”

SECTION 4. This act takes effect upon approval by the Governor.

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